

Annual Report of
**Matachewan Consolidated Mines,
Limited**



For the Year Ended December 31, 1975

ANNUAL MEETING JUNE 22, 1976

Matachewan Consolidated Mines, Limited

DIRECTORS

PAUL H. McCLOSKEY, M.C., B.Sc.
H. P. McCLOSKEY
A. D. HELLENS, M.C., B.Sc.
D. W. FALCONER, Q.C.
R. DUNCAN McCLOSKEY, M.B.A., B.Sc.

OFFICERS

President PAUL H. McCLOSKEY
Vice-President H. P. McCLOSKEY
Secretary D.W. FALCONER
Treasurer S. CZARNECKI

TRANSFER AGENT AND REGISTRAR

CROWN TRUST COMPANY, Toronto, Ontario

AUDITORS

CLARKSON, GORDON & CO., Toronto, Ontario

HEAD OFFICE

Room 1110, 55 Yonge St., Toronto, Ont. M5E 1J4

The Annual Meeting of the Shareholders of the Company will be held in the Head Office, Suite 1110 – 55 Yonge St., Toronto, on Tuesday, June 22, 1976, at the hour of 9:30 o'clock in the forenoon (Toronto Time).

Matachewan Consolidated Mines, Limited

Directors' Report

TO THE SHAREHOLDERS:

There were no significant changes in the overall financial position of the Company in the 1975 fiscal year.

No specific exploration or development projects were engaged in during the year but all properties were kept in good standing with a view to future studies and/or work commitments.

On behalf of the Board,

P.H. McCLOSKEY,

President.

Toronto, Ontario,
May 19, 1976.

Matachewan Consol

(Incorporated un

Balance Sheet —

(with comparative figures)

ASSETS

	<u>1975</u>	<u>1974</u>
Current:		
Cash and short-term deposits	\$ 74,287	\$118,874
Marketable securities, at cost (market value 1975—\$91,200; 1974—\$62,779) (note 3)	<u>78,981</u>	<u>32,793</u>
	<u>153,268</u>	<u>151,667</u>
Investments, at cost:		
Securities having a quoted market value (1975—\$85,006; 1974—\$77,232) (notes 2 and 3)	191,702	191,702
Securities not having a quoted market value, less amounts written off	<u>2,696</u>	<u>2,696</u>
	<u>194,398</u>	<u>194,398</u>
Mining properties:		
Mining claims	41,003	40,503
Property and equipment	<u>1</u>	<u>1</u>
	<u>41,004</u>	<u>40,504</u>
	<u>\$388,670</u>	<u>\$386,569</u>

(See account)

AUDITORS

To the Shareholders of
Matachewan Consolidated Mines, Limited:

We have examined the balance sheet of Matachewan Consolidated Mines, Limited, and the statement of changes in financial position for the year then ended. Our examination included an examination of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Matachewan Consolidated Mines, Limited, and the statement of changes in its financial position for the year then ended, in accordance with generally accepted accounting principles.

Toronto, Canada,
March 1, 1976.

United Mines, Limited

laws of Ontario)

December 31, 1975

(December 31, 1974)

L I A B I L I T I E S

	<u>1975</u>	<u>1974</u>
Current:		
Accounts payable	\$ 484	\$ 261
Shareholders' equity:		
Capital stock —		
Authorized:		
7,000,000 shares of no par value		
Issued:		
5,923,250 shares	1,179,433	1,179,433
Deficit	<u>(791,247)</u>	<u>(793,125)</u>
	388,186	386,308
On behalf of the Board:		
<i>P.H. McCLOSKEY</i> Director.		
<i>D.W. FALCONER</i> Director		
	\$388,670	\$386,569

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P O R T

United as at December 31, 1975 and the statements of income and deficit and
I review of the accounting procedures and such tests of accounting records and

the company as at December 31, 1975 and the results of its operations and the
accepted accounting principles applied on a basis consistent with that of the

CLARKSON, GORDON & CO.,
Chartered Accountants.

Matachewan Consolidated Mines, Limited

Statement of Income and Deficit

For the Year Ended December 31, 1975

(with comparative figures for the year ended December 31, 1974)

	<u>1975</u>	<u>1974</u>
Revenue:		
Interest income	\$ 8,468	\$ 9,747
Dividends	5,218	5,000
Gain on sale of investments	519	1,409
Sundry income	1,780	_____
	15,985	16,156
Expenses:		
Office and corporate	9,121	8,663
Licences and taxes	2,458	1,726
Legal and audit	2,528	1,576
Deferred development and exploration costs and mining claims written off	9,855	_____
	14,107	21,820
Net income (loss) for the year	1,878	(5,664)
Deficit, beginning of year	793,125	787,461
Deficit, end of year	\$791,247	\$793,125

(See accompanying notes)

Matachewan Consolidated Mines, Limited

Statement of Changes in Financial Position

For the Year Ended December 31, 1975

(with comparative figures for the year ended December 31, 1974)

	<u>1975</u>	<u>1974</u>
Working capital was provided from:		
Operations —		
Net income (loss) for the year	\$ 1,878	\$ (5,664)
Add (deduct) charges (credits) not resulting in a flow of funds:		
Deferred development and exploration costs		
and mining claims written off	9,855	
Gain on sale of long-term investments	<u>(2,723)</u>	
	1,878	1,468
Receipt of dividend applied against cost of investments	53,760	
Proceeds from sale of investments	<u>43,237</u>	
Total working capital provided	<u>1,878</u>	<u>98,465</u>
 Working capital was applied to:		
Purchase of mining claims	500	500
Purchase of investments	<u>104,317</u>	
Total working capital applied	<u>500</u>	<u>104,817</u>
Increase (decrease) in working capital	1,378	(6,352)
Working capital, beginning of year (note 3)	<u>151,406</u>	<u>157,758</u>
Working capital, end of year	<u>\$152,784</u>	<u>\$151,406</u>
 Represented by:		
Current assets	\$153,268	\$151,667
Less current liabilities	<u>484</u>	<u>261</u>
	<u>\$152,784</u>	<u>\$151,406</u>

(See accompanying notes)

Matachewan Consolidated Mines, Limited

Notes to Financial Statements

December 31, 1975

1. Significant accounting policies

(a) *Marketable securities and investments –*

Those securities which are considered to be held for long-term purposes are recorded as long-term investments. All other securities are recorded as marketable securities. Both are recorded at cost unless in the opinion of management there has been a permanent decline in the value of the security. Gain or loss on disposals is determined on an average cost basis.

(b) *Mining claims –*

Mining claims are recorded at cost and are written off at such time as the related properties are abandoned.

(c) *Property and equipment –*

Property and equipment no longer used for operations is recorded at nominal value.

2. Investment in Madsen Red Lake Gold Mines, Limited

Securities having a quoted market value include 155,700 shares of Madsen Red Lake Gold Mines, Limited carried in the accompanying financial statements at a cost of \$177,454 which, at December 31, 1975 is \$102,718 in excess of quoted market value. No provision for decline in value of this investment has been made in these financial statements since management is of the view that there has not been a permanent decline in the value to the company of the investment.

3. Reclassification of 1974 figures

Certain marketable securities with a cost of \$21,615 included in 1974 in long-term investments have been reclassified as current assets during 1975 and the 1974 comparative figures have been restated to conform with the 1975 classification. Accordingly, working capital at December 31, 1974 has been increased from the amount previously reported by \$21,615.

4. Remuneration of directors and senior officers

The aggregate direct remuneration paid by the company to its directors and senior officers (as defined by The Business Corporations Act, Ontario, to include the five highest paid employees of the company) for the year ended December 31, 1975 was \$2,853 (1974 – \$2,484).